Research Proposal

Title

An Analytical Study of the Intrapreneurship Development Process in the Corporate Sector with specific reference to Maharashtra

Submitted by

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Ph. D. Research Proposal for Faculty of Management

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1) Rationale and Significance of the Study

As an entrepreneurship and management educator for over two decades, the Researcher got an opportunity to interact directly with a number of entrepreneurs as well as with corporate executives. These interactions over such log period facilitated an interesting observation that most entrepreneurs and some corporate executives exhibited similar traits and skills in conceiving and executing new projects, with the only difference that entrepreneurs did so for their own ventures while corporate executives did so for their employers. The Researcher observed that the corporate executives who exhibited traits similar to those generally attributed to entrepreneurs, performed better than the colleagues in their own organizations or peers in other similar organizations. In addition, they also contributed significantly to the growth of their organizations.

It was more or less obvious why these corporate executives preferred to remain employed in larger organizations despite possessing most of the entrepreneurial traits and skills- their aversion to financial risk being the prime reason. One way of looking at this situation is to feel sorry that the country is losing out on entrepreneurial talent which is so very crucial to the economic development. However, the Researcher looked at the phenomenon from a different perspective; it was actually this entrepreneurial talent, which was helping the large organizations innovate, grow larger, create more jobs and generally add to the economic development.

This prompted the Researcher to dig deeper into literature and stumble upon the term ‘Intrapreneur’. The term was first used by Gifford Pinchot III and Elizabeth S. Pinchot in a 1978 Article titled ‘Intra-Corporate Entrepreneurship’. In their own words, the Article was merely ‘Some thoughts stirred by attending Robert Schwartz’s School for entrepreneurs’.

In an ‘Economist’ Article titled ‘Intrapreneur Now’ in 1982, Norman Macrae gave formal credit to Gifford Pinchot III as the inventor of the term ‘Intrapreneur’. In 1985, Pichot wrote a landmark book titled ‘Intrapreneuring: Why You Don’t Have to Leave the Corporation to Become an Entrepreneur’, paving the way for widespread interest and focused research. The word ‘Intrapreneur’ was finally added to the American Heritage dictionary in 1992.

Being just two decades old, it is a highly tempting area for any Researcher and especially so for this Researcher. The Researcher got an opportunity to work on a unique four year old project run by Pune-based Praj Industries Ltd. with the Symbiosis Institute of Business Management Pune, where the Researcher is a full-time faculty. The project, titled ‘Praj Maha-Intrapreneur’, is an effort to look for and award the efforts of ‘entrepreneurs within organisations’.

During his close association with the Praj Maha-Intrapreneur project, the Researcher observed that while in some cases, the intrapreneurship was a personal phenomenon, in others, it was a result of a deliberate processes followed by organizations in spotting, nurturing and developing in-house entrepreneurial talent. This observation is what prompted the Researcher to select the topic for an in-depth study to systematically analyse the process and if possible, arrive at a replicable model for the corporate sector.

Such a model is likely to have long term positive impact for corporates in terms of innovation, ensuring sustained growth as against sporadic spurts and slumps.

Secondly, the Researcher has not only been associated with the project for the last two years but has also been instrumental in co-authoring and publishing Case Studies of the award winning intrapreneurs of the project, in the form of a book titled ‘Spirit of Intrapreneurship’, clearly underlining his keen interest in the subject.

Combining the utility of a possible model, the Researcher’s close association with a related project and his keen interest in the subject matter, the study has potential of a significant contribution to the existing knowledge.

2) Literature Review

While there is plenty of research material available on entrepreneurship, there is limited research carried out on the subject of intrapreneurship. The subject- and especially the term ‘intrapreneur’ -being of a very recent origin, this is understandable.

One of things the Researcher observed is that the terms ‘intrapreneurship’ and ‘corporate entrepreneurship’ are used interchangeably in the literature. ‘Internal entrepreneurship’ is still another term used by some Researchers to mean intrapreneurship (Schollhammer, 1982). Incidentally, intrapreneurship or corporate entrepreneurship seems to be almost inseparable from innovation in most literature on intrapreneurship. The terms seem to co-exist in the minds of the Researchers as well as in their literature (Pinchot, 1985; Hamel, 2002). In fact, Stopford and Baden-Fuller (1990) describe corporate entrepreneurship as ‘rejuvenation’ within an existing organization; once again signifying the co-existence of

intrapreneurship and innovation. Covin and Miles (1999) in fact say it in so many words that corporate entrepreneurship necessarily implies the presence of innovation. This co-existence is so much so, that one starts getting a feeling that the two terms are being used as synonyms. This co-existence is so much so, that one starts getting a feeling that the two terms are being used as synonyms. The most realistic relationship between intrapreneurship and innovation is probably seen in the observation that corporate entrepreneurship is a potent tool for delivering innovation (Pinchot, 1985; Hamel, 2002).

One would generally like to believe that 'intrapreneurship', like entrepreneurship would probably signify a 'mindset' or a 'skill set'. However, interestingly enough, some scholars have called it as a process. Sharma and Chrisman (1999) define corporate entrepreneurship as "the process whereby an individual or a group of individuals in association with an existing organization create a new organization or instigate renewal or innovation within that organization." This particular definition is highly significant from two angles- one, it defines intrapreneurship as a process and two, it once again connects intrapreneurship with innovation.

Arguably the most significant contributions on intrapreneurship come from Pinchot (1985) and Hamel (2002). While Pinchot presented the 'Ten Commandments of Intrapreneurship', Hamel presented a comprehensive model of intrapreneurship.

Pinchot's Ten Commandments are:

01. Come to work each day willing to be fired.

02. Circumvent any orders aimed at stopping your dream.

03. Do any job needed to make your project work, regardless of your job description.

04. Find people to help you.

05. Follow your intuition about the people you choose, and work only with the best.
06. Work underground as long as you can – publicity triggers the corporate immune mechanism.
07. Never bet on a race unless you are running in it.
08. Remember it is easier to ask for forgiveness than for permission.
09. Be true to your goals, but be realistic about the ways to achieve them.
10. Honor your sponsors.

In Hamel's comprehensive model for intrapreneurship, apart from the culture of innovation in the organization that the top management is responsible for creating, there are three other major components, viz., innovation activism, that is, the role played by autonomous corporate entrepreneurs, innovation as a capability whereby people in the organization are trained for innovation, and, finally, innovation as a process which ensures that ideas are progressively ramped up from imagination to experimentation, assessment, scale-up and finally reality.

3) Aims and Objectives of the Study

The proposed research will have following specific objectives:

A) To ascertain whether intrapreneurship development is on the agenda of corporates
B) To discover the formal or informal processes, if any, in place for intrapreneurship development in corporates
C) To try and propose a new model for intrapreneurship development in corporates.

4) Scope of the Study

The study will cover corporates located in Maharashtra with special emphasis on Pune, followed by Mumbai, Nasik, Aurangabad and if need be, Satara, Kolhapur and Sangli. The study will cover corporates both in manufacturing as well as in services sector. The region is chosen on the basis of proximity as well as prior knowledge on the part of the Researcher about the availability and vibrancy of the corporate sector in this region.

The study proposes to cover corporates both in manufacturing as well as in services sector. For the purpose of this study, corporates would mean:

A) Limited companies with current annual turnover of Rs. 100 crores or more
B) Limited companies with a minimum of 5 years' standing

5) Research Methodology

The Researches proposes to conduct Questionnaire based surveys across two categories of respondents:

1. CEOs or HR heads of corporates (1 per corporate)
2. Employees who have completed a minimum of 3 years at managerial level in the present organisation (2 per corporate)

In select cases, questionnaire based survey might be supported with personal interviews to understand issues clearly.

Apart from the above category of respondent, the Researcher also plans to interview a few proponents of the concept of intrapreneurship like Mr. Pramod Chaudhari, the Chairman of Pune-based Praj Industries Ltd., who was instrumental in institution of the Praj Maha-Intrapreneur Awards to promote the concept of intrapreneurship and who believes that entrepreneurs can make it big only if surrounded by intrapreneurs.

For the survey questionnaire data analysis, the corporates will be classified based mainly on sectors (manufacturing and service). However, if any interesting insights occur, they may be classified on some additional bases as the study progresses.

The selection of corporates will be based on stratified convenience sampling to ensure a proper mix of manufacturing and services sector respondents. Proximity of the corporates and references to conduct the study will play a role in selection of the respondents. The references which are already available through the Praj Maha-Intrapreneur project are also proposed to be used extensively. As the Praj Maha-Intrapreneur process involved applications for awards, it is a good indicator of a corporates' commitment to intrapreneurship development.

The proposed total sample size is 100 corporates; preferably 50 each from manufacturing and services sector. This would mean a total of 100 questionnaires from CEOs/HR heads and minimum 200 questionnaires from managers.

While there can be only one respondent per corporate for the CEO/HR head category, there could be up to five respondents for the managerial categories including recognized intrapreneurs and others. The number of proponents of intrapreneurship like Mr. Pramod Chaudhari is not fixed and would depend upon identification and their availability.

The presence and effectiveness of intrapreneurship development process is proposed to be measured primarily in terms of claims made by CEOs/HR heads/Managers and performance as exhibited by results through financial (profit/costs) and market (sales/customers) indicators.

It is proposed to test the following Null Hypotheses:

H_o: Corporates do have intrapreneurship development on their agenda

H_o: Corporates do not have a formal or informal process or model of intrapreneurship development

The Researcher will use appropriate methodology and tools in consultation with the Guide to primarily test the correlation between claims and performance and presence/absence of a formal/informal process for intrapreneurship development.

As of now, the statistical tests proposed to be used are Chi-square tests to check whether the performance of corporate is independent of the intrapreneurship development process.

6) Bibliography

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